

1 **SCHIAN WALKER, P.L.C.**

1850 NORTH CENTRAL AVENUE, #900

2 PHOENIX, ARIZONA 85004-4531

TELEPHONE: (602) 277-1501

3 FACSIMILE: (602) 297-9633

E-MAIL: ecfdocket@swazlaw.com

4 DALE C. SCHIAN, #010445

MARK C. HUDSON, #020500

5 Attorneys for MorrisAnderson &
Associates, Ltd., Litigation Trustee

6 **UNITED STATES BANKRUPTCY COURT**
7 **DISTRICT OF ARIZONA**
8

9 In re:

10 SWIFT AIR, L.L.C.,

11 Debtor.

No. 2-12-bk-14362-DPC

CHAPTER 11

**LITIGATION TRUSTEE'S ANNUAL
REPORT FOR FISCAL YEAR 2014**

12
13 Pursuant to Section 12.05 of the Creditor Trust Agreement, MorrisAnderson & Associates, Ltd.,
14 the duly appointed Litigation Trustee (the "**Trustee**"), files its written report and accounting for the
15 fiscal year ending December 31, 2014.

16 As additional detail to this report, the Trustee has attached the following documents, ending on
17 December 31, 2014:

- 18 1. Assets and Liabilities Schedule
19 2. Operating Statement
20 3. Summary of Settlement Payments Received
21 4. Operating Cash Schedule
22 5. Schedule of Trustee and Legal Fees
23 6. Accounts Receivable
24 7. Accounts Payable
25 8. Bank Statement – First Niagara

23 Since its appointment, the Trustee has undertaken action to review the Debtor's books and
24 records in order to identify and recover avoidable transfers made by the Debtor prior and subsequent to
25 its bankruptcy (including preferences, fraudulent transfers, and unauthorized post-petition transfers). As

1 noted in the attached documents, the Trustee was holding cash assets on December 31, 2014 of \$53,700
2 and total assets of \$446,549 (the balance being uncollected judgments). The Litigation Trust's (as
3 established in the Plan or Reorganization) net income through December 31, 2014 was \$12,404.81.

4 A substantial portion of the Litigation Trust's income and assets is the result of collections by the
5 Trustee (which are detailed in the attached documents). A summary of the collection efforts is as
6 follows:

7 A. *Collection action against non-insiders:*

8	Number	Description*
9	70	Total number of recipients of potentially avoidable transfers
10	16	Eliminated due to potential liability being under the venue threshold in 28 U.S.C. § 1409(a)
11	5	Eliminated due to potential liability being under the jurisdictional limit in 11 U.S.C. § 547(c)(9)
12	17	Eliminated after transferee established ordinary course defense that eliminated potential liability or reduced it an amount less than the jurisdictional or venue threshold(s)
13	6	Eliminated after transferee established contemporaneous exchange defense that eliminated potential liability or reduced it an amount less than the jurisdictional or venue threshold(s)
14	4	Eliminated after transferee established new value defense that eliminated potential liability or reduced it an amount less than the jurisdictional or venue threshold(s)
15	2	Eliminated after determining transferee did not receive a transfer from the Debtor or estate funds
16	1	Eliminated after it was determined that the claim was released previously as part of a Court-approved settlement
17	5	Eliminated for miscellaneous reasons, including the transferee no longer being in operation or otherwise uncollectible
18	9	Settled by Trustee, settlement paid in full
19	1	Judgment entered (by default), but later determined to be uncollectible
20	3	Judgment entered (by default), but collection not completed by year-end
21	1	Action pending

Number	Description*
	* Several transferees provided evidence of more than one defense; they are listed under only one defense and not repeated (double-counted). In several cases, an adversary case was filed before the transferee provided evidence of defenses or settled with the Trustee, resulting in the adversary case being dismissed when a settlement was reached.

B. Collection action against insiders

Number	Description
36	Total number of recipients of potentially avoidable transfers.
32	In negotiations with the Trustee, subject to tolling agreements.
3	Judgment entered (by default), but collection not completed by year-end.**
1	Litigation is ongoing.
	** Judgment was entered (on January 8, 2015) after the close of the fiscal year (this involves one Judgment entered against 3 persons)

As indicated by the foregoing, the Trustee resolved the majority of the potential avoidance actions against non-insiders by the end of 2014. As for the insiders, it is continuing to pursue these actions, most of which were still being negotiated prior to litigation being initiated.

DATED this 24th day of February, 2015.

SCHIAN WALKER, P.L.C.

By /s/ DALE C. SCHIAN, #010445

Dale C. Schian
Mark C. Hudson
Attorneys for MorrisAnderson

COPY of the foregoing
e-mailed this 24th day
of February, 2015, to:

Jennifer A. Giaimo, Esq.
U.S. Trustee's Office
230 North First Avenue, #204
Phoenix, Arizona 85003-1706
jennifer.a.giaimo@usdoj.gov

/s/ JULIE LARSEN

SWIFT AIR LIQUIDATING TRUST
ASSETS AND LIABILITIES SCHEDULE
For the Period October 2013 through December 2014
Accrual Basis

Assets

Cash First Niagra	28,386
Cash Trust Account	25,315
Total Cash	<u>\$53,700</u>

Judgments	392,848
-----------	---------

Total Assets	<u><u>\$446,549</u></u>
--------------	-------------------------

Liabilities

Accounts Payable	41,295
------------------	--------

Total Assets Less Liabilities	<u><u>\$405,253</u></u>
--------------------------------------	-------------------------

Total Cash	53,700
Less: Accounts Payable	(41,295)
Available Cash	\$12,405

SWIFT AIR LIQUIDATING TRUST
OPERATING STATEMENT
For the Period October 2013 through December 2014
Accrual Basis

Income

Creditor Trust Distribution	35,000.00
Creditor Trust Settlements	64,722.00
Total Receipts	<u>\$99,722.00</u>

Expenses

Liquidating Trustee	52,290.00
Legal Fees	18,215.68
Filing Costs	8,050.00
Legal Expenses	4,731.05
Travel	3,541.49
Other	241.84
Postage	158.22
Communication	63.91
Bank Fees	25.00
Total Expenses	<u>87,317.19</u>
Net Income	<u><u>\$ 12,404.81</u></u>

**SWIFT AIR LIQUIDATING TRUST
SETTLEMENTS
For the Period October 2013 through December 2014**

Account	Amount
Total Settlements	<u>\$64,722.00</u>

SWIFT AIR LIQUIDATING TRUST
OPERATING CASH SCHEDULE
For the Period October 2013 through December 2014

First Niagra Liquidating Trust Operating Account

Date	Account	Ledger	Description	Amount	Balance
Transfer to Operating Trust					35,000.01
1/25/2014 FN	Professional Fee		Schian Walker, P.L.C.	(17,500.00)	17,500.01
12/4/2014 FN	Transfer		Schian Walker, P.L.C.	25,910.73	43,410.74
12/23/2014 FN	Professional Fee		MorrisAnderson	(15,000.00)	28,410.74
12/31/2014 FN	Service Charge		FN fee	(25.00)	28,385.74

Schian Walker Escrow Account

Settlement Collections

Total Settlements \$64,722.00

Transfers From Liquidating Trustee \$17,500.00

Transfers To Liquidating Trustee (\$25,910.73)

Legal Expense Reimbursement

Adversary filing fees (24) (8,050.00)

costs on 1182.15 (1,002.15)

Misc costs (24.48)

costs on 1182.15 (2,194.31)

Fees and costs on 1182.00 (853.49)

Fees and costs on 1182.00 (477.50)

Misc costs (105.48)

Misc costs (47.14)

Misc costs (13.84)

Misc costs (12.66)

Total Expense Reimbursement (\$12,781.05)

Fees Paid

Aero Data settlement (450.00)

Complete Skycap - payment 1 (10/14) (16.67)

Complete Skycap - payment 2 (11/14) (16.67)

Complete Skycap - payment 3 (12/14) (16.67)

Eastern Aviation Fuels Settlement (5,000.00)

Fed Ex settlement (1,166.67)

International Aerospace settlement (375.00)

Jeppesen Sanderson Settlement (4,833.33)

Mariah Fuels Settlement (2,500.00)

Navtech settlement (1,750.00)

Sentinel Aerospace settlement (2000) (666.67)

Spectrum Aerospace settlement (1,424.00)

Total Schian Walker Fees Paid (\$18,215.68)

Escrow Balance \$25,314.54

SWIFT AIR LIQUIDATING TRUST
OPERATING CASH SCHEDULE
For the Period October 2013 through December 2014

LIQUIDATING TRUSTEE EXPENSES

Date	Category	Description	Amount
2/7/2014	Air	TRAVEL	334.00
3/6/2014	Air	TRAVEL	200.00
10/1/2014	Air	TRAVEL	924.20
10/2/2014	Air	TRAVEL	864.20
10/4/2014	ARent	TRAVEL	57.42
10/5/2014	ARent	TRAVEL	120.00
2/7/2014	Cab	TRAVEL	50.00
10/3/2014	Cab	TRAVEL	27.00
10/4/2014	Gas	TRAVEL	2.29
10/5/2014	Gas	TRAVEL	15.00
10/1/2014	Lodging	TRAVEL	158.86
10/2/2014	Lodging	TRAVEL	317.72
10/2/2014	Lodging	TRAVEL	158.86
2/7/2014	Meals	TRAVEL	12.12
3/18/2014	Meals	TRAVEL	21.20
3/25/2014	Meals	TRAVEL	22.30
10/2/2014	Meals	TRAVEL	151.32
12/25/2013	Mess	POSTAGE	26.85
2/16/2014	Mess	POSTAGE	74.50
6/4/2014	Mess	POSTAGE	56.87
2/16/2014	Other	OTHER	197.00
2/16/2014	Pacer	OTHER	35.53
4/11/2014	Pacer	OTHER	9.31
10/5/2014	ParkT	TRAVEL	105.00
1/13/2014	Phone	COMMUNICATION	30.82
7/14/2014	Phone	COMMUNICATION	18.47
8/1/2014	Phone	COMMUNICATION	7.64
10/26/2014	Phone	COMMUNICATION	6.98
TOTAL			<u>\$4,005.46</u>
COMMUNICATION			63.91
OTHER			241.84
POSTAGE			158.22
TRAVEL			3,541.49
TOTAL LIQ TRUSTEE COST			<u>\$4,005.46</u>

Schian Walker Expenses

Category	Description	Amount
Filing Cost	Adversary filing fees (24)	8,050.00
Legal Costs	costs on 1182.15	2,194.31
Legal Costs	costs on 1182.15	1,002.15
Legal Costs	Fees and costs on 1182.00	853.49
Legal Costs	Fees and costs on 1182.00	477.50
Legal Costs	Misc costs	105.48
Legal Costs	Misc costs	47.14
Legal Costs	Misc costs	24.48
Legal Costs	Misc costs	13.84
Legal Costs	Misc costs	12.66
TOTAL		<u>\$ 12,781.05</u>
FILING COSTS		8,050.00
LEGAL EXPENSES		4,731.05
TOTAL LEGAL EXPENSES		<u>\$ 12,781.05</u>

SWIFT AIR LIQUIDATING TRUST
LIQUIDATING TRUSTEE AND LEGAL FEES
For the Period October 2013 through December 2014

Liquidating Trustee Fees

Date	Consultant	Hours	Rate	Amount
11/20/2013	DFD	1.00	550	550.00
11/20/2013	MJW	1.00	375	375.00
11/21/2013	DFD	0.50	550	275.00
12/4/2013	DFD	2.00	550	1,100.00
12/6/2013	DFD	0.50	550	275.00
12/18/2013	DFD	0.50	550	275.00
1/17/2014	THS	2.50	325	812.50
2/7/2014	MJW	4.00	375	1,500.00
3/4/2014	DTI	0.50	325	162.50
3/8/2014	DFD	0.50	550	275.00
3/18/2014	DTI	3.50	325	1,137.50
3/25/2014	DTI	3.50	325	1,137.50
3/28/2014	DFD	0.30	550	165.00
3/31/2014	DTI	2.00	325	650.00
4/2/2014	DFD	0.50	550	275.00
4/15/2014	MSB	2.00	300	600.00
4/15/2014	DFD	0.50	550	275.00
4/15/2014	DTI	0.50	325	162.50
4/16/2014	MSB	6.50	300	1,950.00
4/17/2014	MSB	5.00	300	1,500.00
4/18/2014	MSB	3.00	300	900.00
4/21/2014	MSB	5.00	300	1,500.00
4/22/2014	MSB	7.00	300	2,100.00
4/25/2014	MSB	3.00	300	900.00
4/28/2014	MSB	5.00	300	1,500.00
4/29/2014	MSB	3.00	300	900.00
4/30/2014	DFD	0.50	550	275.00
5/5/2014	MJW	1.00	375	375.00
5/12/2014	MJW	1.00	375	375.00
5/15/2014	MJW	3.00	375	1,125.00
5/20/2014	DFD	1.00	550	550.00
5/20/2014	MJW	1.00	375	375.00
5/31/2014	MJW	1.00	375	375.00
6/18/2014	MJW	1.00	375	375.00
6/19/2014	DFD	2.00	550	1,100.00
6/20/2014	MJW	1.00	375	375.00
6/21/2014	MJW	1.00	375	375.00
6/23/2014	MSB	3.50	300	1,050.00
6/23/2014	DFD	1.00	550	550.00

**SWIFT AIR LIQUIDATING TRUST
LIQUIDATING TRUSTEE AND LEGAL FEES**

For the Period October 2013 through December 2014

6/23/2014	PDR	4.00	275	1,100.00
6/25/2014	MSB	5.75	300	1,725.00
6/25/2014	DFD	0.50	550	275.00
6/25/2014	PDR	2.00	275	550.00
7/9/2014	DFD	0.50	550	275.00
7/17/2014	MJW	2.00	375	750.00
7/25/2014	MJW	2.00	375	750.00
8/1/2014	MJW	2.00	375	750.00
8/8/2014	THS	2.50	325	812.50
8/15/2014	MJW	1.00	375	375.00
9/10/2014	MJW	1.00	375	375.00
9/19/2014	MJW	1.00	375	375.00
10/1/2014	DFD	1.00	550	550.00
10/1/2014	DFD	3.00	275	825.00
10/1/2014	MJW	6.00	187.5	1,125.00
10/2/2014	DFD	8.00	550	4,400.00
10/2/2014	MJW	8.00	375	3,000.00
10/3/2014	MJW	6.00	187.5	1,125.00
10/5/2014	DFD	3.00	275	825.00
10/8/2014	MJW	1.00	375	375.00
10/24/2014	MJW	1.00	375	375.00
11/3/2014	DFD	0.50	550	275.00
11/4/2014	DFD	0.50	550	275.00
11/6/2014	DFD	0.50	550	275.00
11/20/2014	DFD	0.50	550	275.00
11/21/2014	DFD	0.50	550	275.00
12/4/2014	MJW	2.00	375	750.00
12/16/2014	MJW	1.00	375	375.00
12/18/2014	DFD	1.00	550	550.00

Total MorrisAnderson Fees

\$ 52,290.00

Schian Walker Legal Fees

<u>Settlement</u>	<u>Fee Payment</u>	<u>Amount</u>
Aero Data settlement	25% Fee Contingency	450.00
Complete Skycap - payment 1 (10/14)	33.33% Fee Contingency	16.67
Complete Skycap - payment 2 (11/14)	33.33% Fee Contingency	16.67
Complete Skycap - payment 3 (12/14)	33.33% Fee Contingency	16.67
Eastern Aviation Fuels Settlement	25% Fee Contingency	5,000.00
Fed Ex settlement	33.33% Fee Contingency	1,166.67
International Aerospace settlement	25% Fee Contingency	375.00
Jeppesen Sanderson Settlement	33.33% Fee Contingency	4,833.33

**SWIFT AIR LIQUIDATING TRUST
LIQUIDATING TRUSTEE AND LEGAL FEES**

For the Period October 2013 through December 2014

Mariah Fuels Settlement	25% Fee Contingency	2,500.00
Navtech settlement	25% Fee Contingency	1,750.00
Sentinel Aerospace settlement (2000)	33.33% Fee Contingency	666.67
Spectrum Aerospace settlment	33.33% Fee Contingency	1,424.00

Schian Walker Fees

\$ 18,215.68

SWIFT AIR LIQUIDATING TRUST
ACCOUNTS RECEIVABLES
For the Period October 2013 through December 2014

Judgments	Description	Amount
Complete Skycap Services, Inc.	Paying \$50 a month paid \$150 in year 2014	6,420.06
Fitfoods4u, LLC	No response	23,029.18
Mosaic Capital	Out of state no response	60,000.00
Ryan Lafoley	Executed a settlement agreement, judgment received for \$12,625	7,500.00
Stukes (Donald), ASI Advisors, Jordan Gunthrope	Entered 1-7-2015, no collection efforts	295,899.06
	Total Accounts Receivables	<u>\$392,848.30</u>

SWIFT AIR LIQUIDATING TRUST
ACCOUNTS PAYABLES
For the Period October 2013 through December 2014

Account	Billed	Paid	Owe
MorrisAnderosn	56,295.46	(15,000.00)	41,295.46
Schian Walker	30,996.73	(30,996.73)	-
Total Accounts Payable			\$41,295.46



ACCOUNT STATEMENT

Statement Date: December 31, 2014

Primary Account Number: xxxxxxxx6393

Return Mail Services
PO Box 1237 South Windsor, CT 06074

MB 01 016403 38982 B 54 C



SWIFT AIR LIQUIDATING TRUST
MORRIS ANDERSON & ASSOCIATES LTD
55 W MONROE ST
CHICAGO IL 60603-5001



Customer Service
1-800-421-0004



Automated Telephone Banking
1-800-439-8230



Customer.Service@fnfg.com



Customer Service - Bank by Mail
P.O. Box 527
Lockport, NY 14095-0527

IMPORTANT MESSAGE

Enclosed with this statement is an **Important Notice and Change in Terms** amending the Deposit Account Rules and Regulations ("Rules and Regulations") that govern your account. We are amending and restating sections 37 ("Charging of withdrawals") and 38 ("Overdrafts") of the Rules and Regulations effective February 6, 2015.

For **consumer** accounts, also enclosed is the **FNFG Privacy Notice**. For **business** accounts, in addition to amending and restating the Rules and Regulations we are **eliminating** the Business Account Overdraft Privilege Policy, effective February 6, 2015.

Please review these changes carefully. If you keep your account(s) open after the effective date listed above, you will be deemed to agree to the changes. All other terms of the Rules and Regulations remain unchanged.



MEMBER FDIC
First Niagara Bank, N.A.

SUMMARY OF ACCOUNTS

Account	Account Type	Current Balance (\$)	Interest Rate (%)	APY (%)	Interest YTD (\$)
xxxxxxx6393	BIZ200 Checking	28,385.74			

BIZ200 Checking - xxxxxxxx6393

Statement from 11/29/14 Through 12/31/14

Account Summary

Beginning Balance (\$)	+	Deposits (\$)	+	Interest Paid (\$)	-	Withdrawals (\$)	-	Service Charge (\$)	=	Ending Balance (\$)
17,500.01		25,910.73		.00		15,000.00		25.00		28,385.74

Transactions by Date

Posting Date	Transaction Description	Debit (-\$)	Credit (+\$)	Balance (\$)
12/04	Deposit		25,910.73	43,410.74
12/23	Wire BNF: MORRIS ANDERSON	15,000.00		28,410.74
12/31	Service Charge	25.00		28,385.74

